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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

42 CFR Part 412

[CMS-1750-CN]

RIN 0938-AU40

Medicare Program; Fiscal Year (FY) 2022 Inpatient Psychiatric Facilities Prospective Payment System and Quality Reporting Updates for Fiscal Year Beginning October 1, 2021 (FY 2022); Correction

AGENCY: Centers for Medicare & Medicaid Services (CMS), HHS.

ACTION: Final rule; correction.

SUMMARY: This document corrects technical errors that appeared in the final rule published in the **Federal Register** on August 4, 2021 entitled "Medicare Program; FY 2022 Inpatient Psychiatric Facilities Prospective Payment System and Quality Reporting Updates for Fiscal Year Beginning October 1, 2021 (FY 2022)".

DATES: This correction is effective October 1, 2021.

FOR FURTHER INFORMATION CONTACT:

Lauren Lowenstein, (410) 786-4507 for information regarding the Inpatient Psychiatric Facility Quality Reporting (IPFQR) Program.

The IPF Payment Policy mailbox at IPFPaymentPolicy@cms.hhs.gov for general information.

Nicolas Brock, (410) 786-5148 or Theresa Bean (410) 786–2287, for information regarding the outlier fixed dollar loss threshold amount and the regulatory impact analysis.

SUPPLEMENTARY INFORMATION:

I. Background

In FR Doc. 2021-16336 of August 4, 2021 (86 FR 42608), there were a number of technical errors that are identified and corrected in this correcting document. The provisions in

this correction document are effective as if they had been included in the document published on August 4, 2021. Accordingly, the corrections are effective October 1, 2021.

II. Summary of Errors

A. Summary of Errors in the Preamble

1. Inpatient Psychiatric Facilities Prospective Payment System (IPF PPS) Corrections

There was a technical error in the simulation of Inpatient Psychiatric Facilities (IPF) payments that affected the impact analysis and the calculation of the final outlier fixed dollar loss threshold amount. In estimating the percentage of outlier payments as a percentage of total payments, we inadvertently applied provider information from the January, 2021 update of the Provider-Specific File (PSF) instead of the most recently available update from April, 2021. For fiscal year (FY) 2022, we finalized our proposal to update the IPF outlier threshold amount using FY 2019 claims data and the same methodology that we used to set the initial outlier threshold amount in the Rate Year 2007 IPF PPS final rule (71 FR 27072 and 27073). In accordance with that longstanding methodology, the calculation of estimated outlier payments should have used the April, 2021 provider information rather than the January, 2021 provider information.

As a result of the error in estimating outlier payments, the FY 2022 IPF PPS final rule overstated the estimate of increased transfers from the federal government to IPF providers. We estimated $80 million in increased transfers from the federal government to IPF providers; however, based on the corrected calculation of the outlier fixed dollar loss threshold amount, the correct estimate of increased transfers from the federal government to IPF providers should be $70 million. Also, as a result of the error in estimating outlier payments, the FY 2022 IPF PPS final rule incorrectly estimated and described the impact of the final rule on various provider types and the total number of providers included in the analysis.

On page 42608, in the third column, second bullet, seventh sub-bullet, the fixed dollar loss threshold amount should be changed from “$14,470” to “$16,040”.

On page 42609, the table summarizing Total Transfers and Cost reductions should reflect

the corrected estimate of increased payments to IPFs during FY 2022, which should be corrected from $80 million to $70 million.

On page 42623, in the third column, in the third full paragraph, we incorrectly stated that IPF outlier payments as a percentage of total estimated payments were approximately 1.9 percent in FY 2021. The correct percentage should be 2.1 percent.

On page 42623, in the third column, in the third full paragraph, we incorrectly stated that we were decreasing the outlier threshold amount to $14,470. The correct update to the outlier threshold amount should be increased to $16,040.

2. Inpatient Psychiatric Facilities Quality Reporting (IPFQR) Program Corrections

On page 42634, in footnote 93, we made a typographical error and listed the date information was accessed as July 6 instead of July 16.

On page 42645, in the second column in the first full paragraph, we inadvertently omitted several words from the phrase "is this measure's objective" which should read "is not this measure's primary objective".

On page 42647, in footnote 154, we inadvertently omitted the end of the footnote, which should read, "., Alcohol: A probable risk factor of COVID-19 severity, 7-20-2021. doi:10.1111/add.15194".

On page 42649, in the third column, in the first full paragraph, we made a typographical error and referred to "a comprehensive program to address topped out" instead of "a comprehensive program to address tobacco use".

On page 42657, in the last paragraph under subsection b, we inadvertently included the phrase "to no longer require facilities…".

On page 42659, in Table 7, we inadvertently included the "Timely Transmission of Transition Record (Discharges from an Inpatient Facility to Home/Self Care or any Other Site of Care)" in the table.

On page 42661, in the last paragraph, last sentence, under V. Collection of Information

Requirements, we inadvertently stated "We have not made any changes from what was proposed."

On page 42669, in Table 15, we made a typographical error and listed the annual cost update for the removal of the Timely Transmission of Transition Record (Discharges from an Inpatient Facility to Home/Self Care or Any Other Site of Care) and the total cost update as (10,199,836.5050) instead of (10,199,836.50).

3. Regulatory Impact Analysis Corrections

On page 42672, in the second column, we incorrectly stated that "we estimate that the total impact of these changes for FY 2022 payments compared to FY 2021 payments will be a net increase of approximately $80 million. This reflects an $75 million increase from the update to the payment rates (+$100 million from the 2nd quarter 2021 IGI forecast of the 2016-based IPF market basket of 2.7 percent, and -$25 million for the productivity adjustment of 0.7 percentage point), as well as a $5 million increase as a result of the update to the outlier threshold amount. Outlier payments are estimated to change from 1.9 percent in FY 2021 to 2.0 percent of total estimated IPF payments in FY 2022". This paragraph should be revised to reflect that outlier payments are estimated to change from 2.1 percent in FY 2021 to 2.0 percent in FY 2022, and that the update to the outlier threshold will result in a $5 million decrease and a net increase of approximately $70 million in FY 2022 payments.

On page 42672 in the third column, in the fourth full paragraph under C. Detailed Economic Analysis, "$80 million" should be replaced with "$70 million" and "$5 million increase" should be replaced with "$5 million decrease".

On pages 42674 and 42675, Table 18 reflects the impact to providers of updating the outlier fixed dollar loss threshold amount based on the inaccurate calculation of estimated FY 2021 outlier payments; therefore, Table 18 should be updated to reflect the correct calculations.

On page 42675 in the first column, in the second full paragraph under 3. Impact Results, we incorrectly stated that the number of IPFs included in the analysis for FY 2019 claims is

1,519. The correct number is 1,520 IPFs.

On page 42675, in the first column, in the third full paragraph, we incorrectly stated that "Based on the FY 2019 claims, we would estimate that IPF outlier payments as a percentage of total IPF payments are 1.9 percent in FY 2021." The correct percentage should be 2.1 percent.

On page 42675, in the second column, in the first full paragraph, we incorrectly stated that "Based on the FY 2019 claims, the estimated change in total IPF payments for FY 2022 would include an approximate 0.1 percent increase in payments because we would expect the outlier portion of total payments to increase from approximately 1.9 percent to 2.0 percent." This should be corrected to reflect that the estimated change in total IPF payments for FY 2022 would include an approximate 0.1 percent decrease in payments because we would expect the outlier portion of total payments to decrease from approximately 2.1 percent to 2.0 percent.

On page 42675, in the second column, in the second full paragraph and continuing into the first paragraph of the third column, we incorrectly stated the overall impact and the impact to certain provider types due to updating the outlier fixed dollar loss threshold amount. We stated that the overall impact across all hospital groups is an increase of 0.1 percent, however the overall impact is actually a decrease of 0.1 percent. We also stated that "the largest increase in payments due to this change is estimated to be 0.4 percent for teaching IPFs with more than 30 percent interns and residents to beds." This should be corrected to reflect that the largest decreases in payments are estimated to be 0.4 percent for urban government IPF units and 0.4 percent for teaching IPFs with more than 30 percent interns and residents to beds.

On page 42676, in the first column, in the first full paragraph, we incorrectly stated that "The average estimated increase for all IPFs is approximately 2.1 percent based on the FY 2019 claims," and that this overall increase includes "the overall estimated 0.1 percent increase in estimated IPF outlier payments as a percent of total payments from updating the outlier fixed dollar loss threshold amount." These statements should be corrected to reflect that the average estimated increase for all IPFs is approximately 1.9 percent, and that this includes the overall

estimated 0.1 percent decrease in estimated IPF outlier payments as a percent of total payments from updating the outlier fixed dollar loss threshold amount.

On page 42676, in the second column, in the first full paragraph, we incorrectly stated that "IPF payments are therefore estimated to increase by 2.1 percent in urban areas and 2.2 percent in rural areas based on this finalized policy. Overall, IPFs are estimated to experience a net increase in payments as a result of the updates in this final rule. The largest payment increase is estimated at 2.7 percent for IPFs in the South Atlantic region." It is still correct that IPFs are estimated to experience a net increase in payments as a result of the updated in this final rule, however these statements should be corrected to reflect that IPF payments are estimated to increase by 1.8 percent in urban areas and 2.1 percent in rural areas, and that the largest increases are estimated at 2.5 percent for IPFs in the South Atlantic region and 2.5 percent for rural, government-owned IPF hospitals.

On page 42677, in the third column, in the first full paragraph, we incorrectly stated that the number of IPFs with data available in the PSF and with claims in our FY 2019 MedPAR claims dataset was 1,519. The correct number should be 1,520.

On page 42677, Table 19 incorrectly states that the estimate of annualized monetized transfers from the federal government to IPF Medicare providers is $80 million. This table should be corrected to reflect that the estimate of annualized monetized transfers from the federal government to IPF Medicare providers is $70 million.

On page 42677, under F. Regulatory Flexibility Act, in the third column, in line 10, we incorrectly stated that the number of IPFs in our database is 1,519. The correct number of IPFs in our database is 1,520.

B. Summary of Errors and Corrections to the IPF PPS Addenda Posted on the CMS Website

In Addendum A of the FY 2022 IPF PPS final rule, we have corrected the outlier fixed dollar loss threshold amount from $14,470 to $16,040 on the CMS Web site at: https://www.cms.gov/Medicare/Medicare-Fee-for-Service-

Payment/InpatientPsychFacilPPS/tools.

III. Waiver of Proposed Rulemaking

We ordinarily publish a notice of proposed rulemaking in the **Federal Register** to provide a period for public comment before the provisions of a rule take effect in accordance with section 553(b) of the Administrative Procedure Act (APA) (5 U.S.C. 553(b)). However, we can waive this notice and comment procedure if the Secretary finds, for good cause, that the notice and comment process is impracticable, unnecessary, or contrary to the public interest, and incorporates a statement of the finding and the reasons therefore in the rule.

Section 553(d) of the APA ordinarily requires a 30-day delay in effective date of final rules after the date of their publication in the **Federal Register**. This 30-day delay in effective date can be waived, however, if an agency finds for good cause that the delay is impracticable, unnecessary, or contrary to the public interest, and the agency incorporates a statement of the findings and its reasons in the rule issued.

We believe that this correcting document does not constitute a rule that would be subject to the notice and comment or delayed effective date requirements. This document corrects technical and typographic errors in the preamble of the FY 2022 IPF PPS final rule, but does not make substantive changes to the policies or payment methodologies that were adopted in the final rule. As a result, this correcting document is intended to ensure that the information in the FY 2022 IPF PPS final rule accurately reflects the policies adopted in that document.

In addition, even if this were a rule to which the notice and comment procedures and delayed effective date requirements applied, we find that there is good cause to waive such requirements. Undertaking further notice and comment procedures to incorporate the corrections in this document into the final rule or delaying the effective date would be contrary to the public interest because it is in the public's interest for IPFs to receive appropriate payments in as timely a manner as possible, and to ensure that the FY 2022 IPF PPS final rule accurately reflects our policies as of the date they take effect and are applicable. Furthermore, such procedures would

be unnecessary, as we are not altering our payment methodologies or policies, but rather, we are simply correctly implementing the policies that we previously proposed, received comment on, and subsequently finalized. This correcting document is intended solely to ensure that the FY 2022 IPF PPS final rule accurately reflects these payment methodologies and policies. For these reasons, we believe we have good cause to waive the notice and comment and effective date requirements. Moreover, even if these corrections were considered to be retroactive rulemaking, they would be authorized under section 1871(e)(1)(A)(ii) of the Act, which permits the Secretary to issue a rule for the Medicare program with retroactive effect if the failure to do so would be contrary to the public interest. As we have explained previously, we believe it would be contrary to the public interest not to implement the corrections in this correcting document because it is in the public's interest for IPFs to receive appropriate payments in as timely a manner as possible, and to ensure that the FY 2022 IPF PPS final rule accurately reflects our policies.

IV. Correction of Errors

In FR Doc. 2021-16336 of August 4, 2021 (86 FR 42608), make the following corrections:

1. On page 42608, in the third column, second bullet, seventh sub-bullet, in line 2, remove the number "$14,470" and add in its place "$16,040".

2. On page 42609, in first row of the table, in the right column, remove "$80 million" and add in its place "$70 million".

3. On page 42623, in the third column, in the third full paragraph,

a. In line 21, remove "$1.9 percent" and add in its place "2.1 percent".

b. In line 23, remove the number "$14,470" and add in its place "$16,040".

4. On page 42623, in the third column, in the third full paragraph, in line 27, remove the word "decrease" and add in its place "increase".

5. On page 42634, in the second column; in line 3 from the bottom of the page, in footnote 93, remove the words "Accessed on 7/6/2021" and add in their place "Accessed on 7/16/2021".

6. On page 42645, in the second column; in the first full paragraph, in line 6 and 7, remove the words “is this measure’s objective” and add in their place “is not this measure’s primary objective”.

7. On page 42647, in the second column; in footnote 154, revise the citation to read as follows, “Nemani et al., Association of Psychiatric Disorders With Mortality Among Patients With COVID–19, JAMA Psychiatry. 2021;78(4):380–386. doi:10.1001/jamapsychiatry.2020.4442; COVID–19 and people at increased risk, CDC, https://www.cdc.gov/drugoverdose/resources/covid-drugs-QA.html; U. Saengow et. al., Alcohol: A probable risk factor of COVID-19 severity, 7-20-2021. doi:10.1111/add.15194”.

8. On page 42649, in the third column; the first full paragraph, the 20th line from the top of the page, remove the words “a comprehensive program to address topped out” and add in their place “a comprehensive program to address tobacco use”.

9. On page 42657, in the second column; the last paragraph under “b. Updated Reference to QualityNet Administrator in the Code of Federal Regulations”, the 32nd line from the top of the page, remove the words “We are finalizing our proposal to no longer require facilities to replace the term ‘QualityNet system administrator’ with “QualityNet security official’ at § 412.434(b)(3) as proposed” and add in their place “We are finalizing our proposal to replace the term ‘QualityNet system administrator’ with “QualityNet security official’ at § 412.434(b)(3) as proposed.”

10. On page 42659, revise Table 7 to read as follows:

TABLE 7: Patient-level data submission requirements for CY 2014 IPFQR Program measure set

NQF #	Measure ID	Measure	Patient-Level Data Submission
0640	HBIPS-2	Hours of Physical Restraint Use	Yes, numerator only
0641	HBIPS-3	Hours of Seclusion Use	Yes, numerator only
0560	HBIPS-5	Patients Discharged on Multiple Antipsychotic Medications with Appropriate Justification	Yes
0576	FUH	Follow-Up After Hospitalization for Mental Illness	No (claims-based)
N/A*	SUB-2 and	Alcohol Use Brief Intervention Provided or Offered and	Yes

	SUB-2a	SUB-2a Alcohol Use Brief Intervention	
N/A*	SUB-3 and SUB-3a	Alcohol and Other Drug Use Disorder Treatment Provided or Offered at Discharge and SUB-3a Alcohol and Other Drug Use Disorder Treatment at Discharge	Yes
N/A*	TOB-2 and TOB-2a	Tobacco Use Treatment Provided or Offered and TOB-2a Tobacco Use Treatment	Yes
N/A*	TOB-3 and TOB-3a	Tobacco Use Treatment Provided or Offered at Discharge and TOB-3a Tobacco Use Treatment at Discharge	Yes
1659	IMM-2	Influenza Immunization	Yes
N/A*	N/A	Transition Record with Specified Elements Received by Discharged Patients (Discharges from an Inpatient Facility to Home/Self Care or Any Other Site of Care)	Yes
N/A	N/A	Screening for Metabolic Disorders	Yes
2860	N/A	Thirty-Day All-Cause Unplanned Readmission Following Psychiatric Hospitalization in an Inpatient Psychiatric Facility	No (claims-based)
3205	Med Cont	Medication Continuation Following Inpatient Psychiatric Discharge	No (claims-based)
TBD	COVID HCP	COVID-19 Healthcare Personnel (HCP) Vaccination Measure	No (calculated for HCP)

* Measure is no longer endorsed by the NQF but was endorsed at time of adoption. Section 1886(s)(4)(D)(ii) of the Act authorizes the Secretary to specify a measure that is not endorsed by the NQF as long as due consideration is given to measures that have been endorsed or adopted by a consensus organization identified by the Secretary. We attempted to find available measures for each of these clinical topics that have been endorsed or adopted by a consensus organization and found no other feasible and practical measures on the topics for the IPF setting.

11. On page 42661, in the third column; in the last paragraph under V. Collection of Information Requirements, the 8th line from the bottom of the page, remove the sentence "We have not made any changes from what was proposed" and add in its place "We have updated these estimates based on the proposals finalized in this final rule".

12. On page 42669, revise Table 15 to read as follows.

NQF #	Measure ID	Measure Description	Estimated Cases (per facility)	Time per Case (hours)	Annual Time per Facility (hours)	Number IPFs**	Total Annual Time (hours)	Total Annual Cost ($)
0576	FUH	Follow-Up After Hospitalization for Mental Illness*	0	0	0	1,634	0	0
0648	N/A	Timely Transmission of Transition Record (Discharges from an Inpatient Facility to Home/Self Care or Any Other Site of Care)	(609)	0.25	152.25	1,634	(248,776.5)	(10,199,836.50)
TOTAL			(609)	Varies	152.25	1,634	(248,776.5)	(10,199,836.50)

* CMS will collect these data using Medicare Part A and Part B claims; therefore, these measures will not require facilities to submit data on any cases.

** We note that the previously approved number of IPFs is 1,679; however, we adjusted that in Table 12 based on updated data.

***At $41.00/hr

13. On page 42672, below Table 15, in the second column, in the second full paragraph, remove the paragraph,

> "We estimate that the total impact of these changes for FY 2022 payments compared to FY 2021 payments will be a net increase of approximately $80 million. This reflects an $75 million increase from the update to the payment rates (+$100 million from the 2nd quarter 2021 IGI forecast of the 2016-based IPF market basket of 2.7 percent, and -$25 million for the productivity adjustment of 0.7 percentage point), as well as a $5 million increase as a result of the update to the outlier threshold amount. Outlier payments are estimated to change from 1.9 percent in FY 2021 to 2.0 percent of total estimated IPF payments in FY 2022."

and add in its place

> "We estimate that the total impact of these changes for FY 2022 payments compared to FY 2021 payments will be a net increase of approximately $70 million. This reflects a $75 million increase from the update to the payment rates (+$100 million from the 2nd quarter 2021 IGI forecast of the 2016-based IPF market basket of 2.7 percent, and -$25 million for the productivity adjustment of 0.7 percentage point), as well as a $5 million decrease as a result of the update to the outlier threshold amount. Outlier payments are estimated to change from 2.1 percent in FY 2021 to 2.0 percent of total estimated IPF payments in FY 2022."

14. On page 42672 in the third column, in the fourth full paragraph,

a. In line 2, remove "$80 million" and add in its place "$70 million".

b. In line 6, remove the word "increase" and add in its place "decrease".

15. On pages 42674 and 42675, revise Table 18 to read as follows.

TABLE 18: FY 2022 IPF PPS Final Payment Impacts
[Percent Change in columns 3 through 5]

Facility by Type	Number of Facilities		Outlier		FY 2022 Wage Index, LRS, and COLA		Total Percent Change[1]	
	FY 2019 Claims	FY 2020 Claims	FY 2019 Claims	FY 2020 Claims	FY 2019 Claims	FY 2020 Claims	FY 2019 Claims	FY 2020 Claims
(1)	(2)		(3)		(4)		(5)	
All Facilities	1,520	1,534	-0.1	-1.1	0.0	0.0	1.9	0.9
Total Urban	1,221	1,235	-0.1	-1.1	0.0	0.0	1.8	0.8
Urban unit	740	737	-0.2	-1.8	-0.1	-0.1	1.7	0.1
Urban hospital	481	498	0.0	-0.3	0.0	0.0	2.0	1.7
Total Rural	299	299	-0.1	-0.7	0.2	0.2	2.1	1.5
Rural unit	239	238	-0.1	-0.8	0.1	0.1	2.0	1.3
Rural hospital	60	61	-0.1	-0.4	0.4	0.4	2.3	2.0
By Type of Ownership:								
Freestanding IPFs								
Urban Psychiatric Hospitals								
Government	116	123	-0.2	-1.7	-0.2	-0.2	1.6	0.1
Non-Profit	95	97	-0.1	-0.5	-0.2	-0.1	1.8	1.4
For-Profit	270	278	0.0	-0.1	0.1	0.1	2.1	2.0
Rural Psychiatric Hospitals								
Government	31	32	-0.1	-0.8	0.5	0.6	2.5	1.8
Non-Profit	12	12	-0.1	-1.2	-0.1	0.0	1.8	0.7
For-Profit	17	17	0.0	0.0	0.4	0.4	2.4	2.4
IPF Units								
Urban								
Government	108	107	-0.4	-3.4	0.1	0.1	1.8	-1.4
Non-Profit	480	478	-0.2	-1.7	-0.1	-0.1	1.7	0.2
For-Profit	152	152	-0.1	-0.7	-0.1	-0.1	1.8	1.2
Rural								
Government	58	57	0.0	-0.4	0.4	0.3	2.3	1.9
Non-Profit	132	131	-0.1	-1.0	0.1	0.1	1.9	1.0
For-Profit	49	50	-0.1	-0.6	-0.2	-0.2	1.7	1.2
By Teaching Status:								
Non-teaching	1,322	1,336	-0.1	-0.8	0.0	0.0	1.9	1.1
Less than 10% interns and residents to beds	109	109	-0.2	-1.9	0.1	0.1	1.9	0.2
10% to 30% interns and residents to beds	67	67	-0.3	-2.4	-0.1	-0.1	1.6	-0.5
More than 30% interns and residents to beds	22	22	-0.4	-3.2	-0.1	-0.1	1.5	-1.3
By Region:								
New England	106	106	-0.2	-1.2	-0.4	-0.4	1.5	0.3
Mid-Atlantic	215	216	-0.2	-2.0	-0.2	-0.2	1.6	-0.2
South Atlantic	240	243	-0.1	-0.7	0.6	0.6	2.5	1.9
East North Central	243	244	-0.1	-0.7	-0.2	-0.2	1.7	1.0
East South Central	152	155	-0.1	-0.7	-0.5	-0.5	1.4	0.7

West North Central	108	109	-0.2	-1.4	0.1	0.1	2.0	0.7
West South Central	224	227	-0.1	-0.5	-0.3	-0.3	1.7	1.3
Mountain	103	103	-0.1	-0.7	0.2	0.3	2.2	1.6
Pacific	129	131	-0.2	-1.4	0.4	0.4	2.3	1.0
By Bed Size:								
Psychiatric Hospitals								
Beds: 0-24	83	88	-0.1	-0.5	0.1	0.0	2.0	1.5
Beds: 25-49	79	83	0.0	-0.2	-0.3	-0.3	1.7	1.5
Beds: 50-75	84	88	0.0	-0.1	0.1	0.2	2.1	2.2
Beds: 76 +	295	300	0.0	-0.4	0.1	0.1	2.1	1.7
Psychiatric Units								
Beds: 0-24	536	531	-0.2	-1.2	0.0	0.0	1.8	0.7
Beds: 25-49	259	259	-0.2	-1.3	0.0	0.0	1.9	0.7
Beds: 50-75	114	114	-0.2	-2.0	-0.3	-0.3	1.5	-0.3
Beds: 76 +	70	71	-0.3	-2.5	0.0	0.0	1.8	-0.5

[1] This column includes the impact of the updates in columns (3) and (4) above, and of the final IPF market basket increase factor for FY 2022 (2.7 percent), reduced by 0.7 percentage point for the productivity adjustment as required by section 1886(s)(2)(A)(i) of the Act. Note, the products of these impacts may be different from the percentage changes shown here due to rounding effects.

16. On page 42675 in the first column, in the second full paragraph,

a. In line 2, remove the number "1,519" and add in its place "1,520".

b. In line 6, remove "1.9 percent" and add in its place "2.1 percent".

17. On page 42675, in the second column,

a. In the first full paragraph,

(1) In line 5, remove the sentence,

"Based on the FY 2019 claims, the estimated change in total IPF payments for FY 2022 would include an approximate 0.1 percent increase in payments because we would expect the outlier portion of total payments to increase from approximately 1.9 percent to 2.0 percent."

and add in its place,

"Based on the FY 2019 claims, the estimated change in total IPF payments for FY 2022 would include an approximate 0.1 percent decrease in payments because we would expect the outlier portion of total payments to decrease from approximately 2.1 percent to 2.0 percent."

(2) In the second full paragraph and continuing into the first paragraph of the third column, remove the paragraph,

"The overall impact of the estimated increase or decrease to payments due to

updating the outlier fixed dollar loss threshold (as shown in column 3 of Table 18), across all hospital groups, is 0.1 percent based on the FY 2019 claims, or –1.1 percent based on the FY 2020 claims. Based on the FY 2019 claims, the largest increase in payments due to this change is estimated to be 0.4 percent for teaching IPFs with more than 30 percent interns and residents to beds. Among teaching IPFs, this same provider facility type would experience the largest estimated decrease in payments if we were to instead increase the outlier fixed dollar loss threshold based on the FY 2020 claims distribution."

and add in its place

"The overall impact of the estimated decrease to payments due to updating the outlier fixed dollar loss threshold (as shown in column 3 of Table 18), across all hospital groups, is a 0.1 percent decrease based on the FY 2019 claims, or a 1.1 percent decrease based on the FY 2020 claims. Based on the FY 2019 claims, the largest decreases in payments due to this change are estimated to be 0.4 percent for urban government IPF units and 0.4 percent for teaching IPFs with more than 30 percent interns and residents to beds. These same provider facility types would also experience the largest estimated decreases in payments if we were to instead increase the outlier fixed dollar loss threshold based on the FY 2020 claims distribution."

18. On page 42676,

a. In the first column, in the first full paragraph, remove the paragraph,

"Finally, column 5 compares the total final changes reflected in this final rule for FY 2022 to the estimates for FY 2021 (without these changes). The average estimated increase for all IPFs is approximately 2.1 percent based on the FY 2019 claims, or 0.9 percent based on the FY 2020 claims. These estimated net increases include the effects of the 2016-based market basket update of 2.7 percent reduced by the productivity adjustment of 0.7 percentage point, as required by section 1886(s)(2)(A)(i) of the Act. They also include the overall estimated 0.1 percent increase in estimated IPF outlier

payments as a percent of total payments from updating the outlier fixed dollar loss threshold amount. In addition, column 5 includes the distributional effects of the final updates to the IPF wage index, the labor-related share, and the final updated COLA factors, whose impacts are displayed in column 4. Based on the FY 2020 claims distribution, the increase to estimated payments due to the market basket update factor are offset in large part for some provider types by the increase to the outlier fixed dollar loss threshold."

and add in its place

"Finally, column 5 compares the total final changes reflected in this final rule for FY 2022 to the estimates for FY 2021 (without these changes). The average estimated increase for all IPFs is approximately 1.9 percent based on the FY 2019 claims, or 0.9 percent based on the FY 2020 claims. These estimated net increases include the effects of the 2016-based IPF market basket update of 2.7 percent reduced by the productivity adjustment of 0.7 percentage point, as required by section 1886(s)(2)(A)(i) of the Act. They also include the overall estimated 0.1 percent decrease in estimated IPF outlier payments as a percent of total payments from updating the outlier fixed dollar loss threshold amount. In addition, column 5 includes the distributional effects of the final updates to the IPF wage index, the labor-related share, and the final updated COLA factors, whose impacts are displayed in column 4. Based on the FY 2020 claims distribution, the increase to estimated payments due to the market basket update factor are offset in large part for some provider types by the increase to the outlier fixed dollar loss threshold."

b. In the second column, in the first full paragraph, remove the paragraph,

"IPF payments are therefore estimated to increase by 2.1 percent in urban areas and 2.2 percent in rural areas based on this finalized policy. Overall, IPFs are estimated to experience a net increase in payments as a result of the updates in this final rule. The

largest payment increase is estimated at 2.7 percent for IPFs in the South Atlantic region."

and add in its place

"IPF payments are therefore estimated to increase by 1.8 percent in urban areas and 2.1 percent in rural areas based on this finalized policy. Overall, IPFs are estimated to experience a net increase in payments as a result of the updates in this final rule. The largest payment increases are estimated at 2.5 percent for IPFs in the South Atlantic region and 2.5 percent for rural, government-owned IPF hospitals."

19. On page 42677,

a. Above Table 15, in the third column, in the first full paragraph, in line 13, remove the number "1,519" and add in its place "1,520".

b. Revise Table 19 to read as follows:

TABLE 19: Accounting Statement: Classification of Estimated Costs, Savings, and Transfers

Category	Primary estimate ($million/year)	Low estimate	High estimate	Units		
				Year dollars	Discount rate	Period covered
Regulatory Review Costs	0.2	-	-	2020	-	FY 2022
Annualized Monetized Costs Savings	-0.51	-0.38	-0.64	2019	7%	FY 2023 – FY 2031
	-0.44	-0.33	-0.54	2019	3%	FY 2023 – FY 2031
Annualized Monetized Transfers from Federal Government to IPF Medicare Providers	70	-	-	FY 2022	-	FY 2022

c. Below Table 19, in the third column, in line 10, remove the number "1,519" and add in its place "1,520".

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Department of Health and Human Services.

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